

## AMENDING THE DISTRICT OF COLUMBIA TRAFFIC ACT

JUNE 7, 1956.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. McMILLAN, from the Committee on the District of Columbia, submitted the following

### R E P O R T

[To accompany H. R. 11488]

The Committee on the District of Columbia, to whom was referred the bill (H. R. 11488) to amend the District of Columbia Traffic Act, 1925, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill H. R. 11488 as amended do pass.

The amendment is as follows:

On page 2, line 14, after the word "effect", insert the word "thirty":

The need for this legislation is explained in a letter from the President, Board of Commissioners of the District of Columbia, to the Speaker of the House of Representatives under date of April 26, 1956, which is herewith made a part of this report.

APRIL 26, 1956.

MY DEAR MR. SPEAKER: The Commissioners of the District of Columbia have the honor to submit herewith a draft of a bill to amend the District of Columbia Traffic Act, 1925, as amended.

Under existing law, there is levied against the issuance of a certificate of title for a motor vehicle or trailer an excise tax of 2 percent of the value of such vehicle or trailer. On occasion, however, a person may purchase a motor vehicle, acquire title, and pay the necessary 2 percent excise tax, only to discover a short time later that the car is defective to the extent that the dealer from whom the car was purchased will replace it with another vehicle. Under existing law, the 2 percent excise tax must also be paid on the fair market value of the replacement vehicle. This has the effect of requiring the unfortunate motor-vehicle owner who has purchased a "lemon" to pay double the amount of excise which ordinarily would be paid on such vehicle. The proposed amendment of the Traffic Act would furnish relief to any such motor-vehicle purchaser by requiring him

to pay in connection with his purchase of a defective motor vehicle which requires replacement, only that amount which is equal to a 2-percent tax on the fair market value of the replacement vehicle, so that in effect he is relieved from paying the excise tax on the defective vehicle which was returned to the dealer.

Another change the proposed bill would make in the Traffic Act is the elimination of the word "District" in the second sentence of paragraph No. (2) of subsection (a) of section 7. The presence of the word "District" in existing law makes it illegal for the holder of a learner's permit to operate a motor vehicle when accompanied only by a person holding a valid Maryland or Virginia motor-vehicle operator's permit, or a permit issued by another State. The elimination of the word "District" would allow the holder of a learner's permit to operate a motor vehicle when accompanied by the holder of a valid motor vehicle operator's permit issued by any other jurisdiction.

The Commissioners recommend the enactment of the proposed bill.

The Commissioners have been advised by the Bureau of the Budget that there is no objection on the part of that office to submission of this report to the Congress.

Yours very sincerely,

ROBT E. McLAUGHLIN,  
*President, Board of Commissioners, District of Columbia.*

#### CHANGES IN EXISTING LAW

In compliance with paragraph 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

#### DISTRICT OF COLUMBIA CODE 40-603 (j) (43 STAT. 1121)

(j) In addition to the fees and charges levied under other provisions of this Act, there is hereby levied and imposed an excise tax for the issuance of every original certificate of title for a motor vehicle or trailer in the District, and for the issuance of every subsequent certificate of title for a motor vehicle or trailer in the District in the case of sale or resale thereof, at the rate of 2 per centum of the fair market value of such motor vehicle or trailer at the time such certificate is issued, as determined by the Assessor of the District of Columbia or his duly authorized representatives. As used in this section, the term "original certificate of title" shall mean the first certificate of title issued by the District of Columbia for any particular motor vehicle or trailer. No certificate of title so issued shall be delivered or furnished to the person entitled thereto until the tax has been paid in full. The Assessor of the District of Columbia may require every applicant for a certificate of title to supply such information as he deems necessary as to the time of purchase, the purchase price, and other information relative to the determination of the fair market value of any motor vehicle or trailer for which a certificate of title is required and issued. The issuance of certificates of title for the following motor vehicles and trailers shall be exempt from the tax imposed by this subsection:

(1) Motor vehicles and trailers owned by the United States or the District of Columbia.

(2) Motor vehicles and trailers purchased or acquired by non-residents prior to coming into the District of Columbia and establishing or maintaining residences in the District.

(3) Motor vehicles and trailers purchased or acquired by nonresidents prior to coming into the District of Columbia and establishing or maintaining a business or businesses in the District. Except as hereinafter provided, it is not intended to exempt from the tax the issuance of certificates of title for motor vehicles and trailers owned by nonresidents who are engaged in business in the District at the time of their purchase or acquisition of such vehicles and trailers and who use such vehicles and trailers in the conduct of their District business or businesses.

(4) Motor vehicles and trailers owned by a utility or public service company for use in furnishing a commodity or service: *Provided*, That the receipts from furnishing such commodity or service are subject to a gross-receipts or mileage tax in force in the District of Columbia at the time of a certificate of title for any such vehicle or trailer is issued.

(5) *New motor vehicles acquired from dealers as replacements for defective vehicles purchased new not more than sixty days prior to the date of such replacement, except that if the fair market value of any replacement vehicle is greater than that of the vehicle which it replaces, then the tax imposed by this section shall be paid on such difference in value. If the fair market value of any replacement vehicle is less than that of the vehicle which it replaces, then the Commissioners or their designated agent are authorized to refund to the owner of the replacement vehicle an amount equal to the difference between the excise tax paid on the defective vehicle and the excise tax paid on the replacement vehicle.*

DISTRICT OF COLUMBIA CODE 40-301 (a) (2) (43 STAT. 1121)

(2) The Commissioners or their designated agent may, upon application and the payment of a fee of \$1, issue a learner's permit, valid for a period of sixty days, to any applicant for a motor vehicle operator's permit, sixteen years of age or over, who has successfully passed all parts of the examination other than the driving demonstration test. Such permit shall entitle the permittee, while having such permit in his immediate possession, to operate a passenger motor vehicle, used solely for purposes of pleasure and not for compensation, when accompanied by the holder of a valid [District] motor vehicle operator's permit who is occupying a seat beside such permittee.



